

Data Sheet

USAID Mission:	Honduras
Program Title:	Economic Freedom
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	522-022
Status:	Continuing
Planned FY 2006 Obligation:	\$4,964,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$3,014,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: USAID supports Honduras' competitiveness in global markets through improvements in trade policy analysis and the legal and regulatory framework for trade, investment, and competitiveness; promoting a more competitive rural economy; and improving the management of critical watersheds. The program will enhance Honduras' ability to both participate more effectively in free trade agreements and to take full advantage of the greater trade opportunities made available by more open global markets. USAID will provide technical support to improve the competitiveness of micro, small, and medium sized enterprises in rural areas to fully reap the benefits of freer trade achieved through economic diversification and better trade practices. USAID's integrated watershed resources management activities will focus on conservation of natural resources, including biodiversity, disaster preparedness, and the implementation of the Environmental Cooperation Agreement under the Central America and Dominican Republic Free Trade Agreement (CAFTA-DR).

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Sustainable Management of Natural Resources and Biodiversity (\$2,004,000 DA). USAID continues to improve the end-use management of critical watersheds. Laws and regulations impacting both natural resources and disaster preparedness will be improved, and more communities and municipalities will form committees and emergency operational centers. USAID's Integrated Watershed Resources Management Program provides technical assistance to local stakeholders for the development of at least 14 additional watershed management plans that will help communities have a stake in the protecting water for both health and income generating purposes. USAID is increasing the average income of parks by improving the management of five protected areas, completing flora and fauna inventories to establish biodiversity benchmarks in protected areas, and disseminating best practices for ecotourism. Principal contractors, grantees, and local partners include International Resources Group (prime), Winrock International, Development Associates, Inc., Zamorano University, the Honduran Agricultural Research Foundation, VIDA Foundation, Madera Verde, Rare Conservation, Amagavi, and AGA and Associates.

Increase Agricultural Productivity (\$1,960,000 DA). USAID continues to support micro, small and medium rural enterprises to be more competitive by promoting agricultural and product diversification, improving productivity and quality, and expanding market access. USAID continues to fund assistance to producers and exporters who need to meet increasingly strict international export and market standards in worker safety, bio-terrorism protection, food safety, labor, product traceability, and quality assurance practices. USAID trade capacity building activities with rural producers support the expansion and diversification into nontraditional value-added agricultural (e.g., Asian vegetables, melons, jalapeños) and non-agricultural products (e.g., handicrafts). Principal contractors, grantees, and local partners include: Fintrac Inc. (prime), Zamorano University (sub), the Honduran Agricultural Research Foundation (sub), World Vision

(sub), and the Ministry of Agriculture and Livestock.

Increase Trade and Investment (\$1,000,000 DA). USAID continues to support greater market openings for Honduran enterprises and the implementation of CAFTA-DR, through the Trade, Investment, and Competitiveness program. The Foundation for Investment and Development of Exports (FIDE), is working with the GOH's Secretariat of Industry and Commerce and the Secretariat of Agriculture and Livestock to encourage broad collaboration and participation of public and private sectors. USAID's program continues to provide assistance to the GOH in policy analysis so that businesses can take advantage of CAFTA-DR and become more competitive in international markets. USAID continues to provide assistance to improve Honduras' capacity to research and analyze trade information to formulate policy recommendations. USAID will support the Government of Honduras (GOH) and the private sector in trade capacity building activities for CAFTA-DR implementation and compliance. Grantees and partners include: FIDE (prime); Honduras Council for Private Enterprises (sub); Secretariats of Industry and Commerce and of Agriculture and Livestock.

FY 2007 Program:

Improve Sustainable Management of Natural Resources and Biodiversity (\$2,014,000 DA). USAID will continue to provide technical assistance and training to: improve the end-use management of critical watersheds increase harmonization and enforcement of environmental laws and regulations; and increase disaster preparedness and mitigation. USAID will continue to work through public and private organizations to implement activities in watershed areas that complement economic opportunities. USAID will also address the pressing need for intervention in poor communities occupying and surrounding critical watershed areas. Same partners as above.

Increase Trade and Investment (\$1,000,000 DA). USAID will continue its efforts, in coordination with other USG agencies such as the U.S. Department of Agriculture, the U.S. Trade Representative and the Food and Drug Administration, to assist the GOH to comply with export rules, regulations, and export certifications, particularly in the agricultural sector. USAID will continue coordinating with the regional program on streamlining customs procedures and supporting regional sanitary and phytosanitary initiatives. USAID will also continue supporting initiatives to comply with labor and environmental regulations and intellectual property rights, to assist Honduras to respond quickly and efficiently to international standards and fully benefit from the international trading system. Same partners as above.

Performance and Results: USAID's TCB assistance to the Honduran CAFTA-DR civil society outreach program was instrumental in building support and awareness for CAFTA-DR during the negotiation and ratification stages. USAID supported top quality assessments on critical trade and competitiveness topics to be faced by the incoming administration in areas of telecommunications, energy, etc. This enabled presidential and congressional candidates to conduct informed policy debate on priority economic issues. USAID agricultural diversification programs reached more than 7,738 growers and processors increased their income by an average of 40%. Improved production and processing activities introduced by USAID programs have resulted in increased sales of over \$11 million. In addition, USAID clients invested more than \$11 million. More than 2,600 full-time permanent positions, 30% of which were occupied by women, were attributed directly to USAID technical assistance. In the environment sector, eight micro-watershed plans were implemented encompassing over 14,000 hectares of land. USAID also provided support to the GOH forestry agency, partly with assistance from a U.S. Forest Service specialist, in combating forest fires and severe pest outbreaks in 210,000 hectares of pine forest in central and southern Honduras critical to Honduras' economic and natural resource future.

US Financing in Thousands of Dollars

Honduras

522-022 Economic Freedom	DA	DCA
Through September 30, 2004		
Obligations	17,405	162
Expenditures	636	1
Unliquidated	16,769	161
Fiscal Year 2005		
Obligations	9,675	115
Expenditures	7,704	11
Through September 30, 2005		
Obligations	27,080	277
Expenditures	8,340	12
Unliquidated	18,740	265
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	4,964	0
Total Planned Fiscal Year 2006		
Obligations	4,964	0
Proposed Fiscal Year 2007 NOA		
Obligations	3,014	0
Future Obligations	19,752	0
Est. Total Cost	54,810	277